



ENERGY ASSURANCE DAILY

Tuesday, July 24, 2007

Electricity

122,000 SCE Customers Briefly Lost Power in California July 21

The power outage, which affected Southern California Edison (SCE) customers across the South Valley, lasted about an hour and is believed to have been caused by an equipment failure at one of SCE's South Valley substations. <http://www.fresnobee.com/270/story/92276.html>

Power Blinks Out to at Least 20,000 PG&E Customers in Downtown San Francisco July 24

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2007/07/24/BAG9NR67253.DTL&tsp=1>

Competitive Power Ventures Announces Plans to Build 600 MW Natural Gas-fired Plant in Maryland

The combined cycle power plant, to be called CPV St. Charles and located in Charles County, Maryland, will use state-of-the-art technology to efficiently and cleanly produce electricity. Construction on CPV St. Charles is expected to begin in early 2009 and finish in 2011. When completed, the plant will be one of the cleanest natural gas facilities ever built in Maryland and the Washington, DC area.

Reuters, 12:57 July 24, 2007

FirstEnergy's 1,235 MW Perry Nuke Unit in Ohio Begins to Exit Outage July 24

The unit began to exit an outage and ramped up to 2 percent of capacity after being shut on June 29 to replace a motor in the reactor recirculation system.

Reuters, 07:27 July 24, 2007

Bloomberg News, 09:54 July 24, 2007

Allegheny's 640 MW Harrison Coal-fired Unit in West Virginia Shut Jul 23

Reuters, 11:50 July 24, 2007

OPG's 260 MW Canyon Hydro Unit in Ontario Shut July 24

Reuters, 11:50 July 24, 2007

OPG's 269 MW Lower Notch Hydro Unit in Ontario Shut July 24

Reuters, 11:50 July 24, 2007

Petroleum

Update: Husky's 147,000 b/d Lima, Ohio Refinery Completely Shut Over Weekend

The refinery went into full shutdown over the weekend after running at 25 percent of capacity after a fire knocked out a substation last week, a company spokesman said on Monday. He said the company hopes to begin the restart at the end of this week or next week with full rates reached by mid-August.

Reuters, 15:36 July 24, 2007

Smaller Terminals Experiencing Fuel Outages Along Magellan Pipeline System

Multiple terminals located in Nebraska and Iowa are experiencing shortages of gasoline and diesel on the Magellan Pipeline system due to tight supply caused by refinery outages. Bruce Heine, a spokesperson for Magellan, highlighted the refinery outage in Coffeyville, Kansas as a major contributor to the current supply disruptions. Magellan hopes to offset the low supply through additional nominations from the Gulf Coast.

Reuters, 14:50 July 23, 2007

Update: BP Sees Full Capacity at 410,000 b/d Whiting, Indiana Refinery in First Half of 2008

In its quarterly results statement BP said that it expected to resume sour crude processing in the fourth quarter of 2007 and to restore the refinery to its full flexibility and crude capacity in the first half of 2008. The refinery has been operating at about half of its capacity since it was damaged by a fire in April.
Reuters, 02:37 July 24, 2007

Update: Hydrocracker Returns to Service at BP's 265,000 b/d Carson, California Refinery July 23

Having completed two weeks of unplanned repairs on the 50,000 b/d hydrocracking unit, the unit was said to have been restarted over the weekend.
Reuters, 14:17 July 23, 2007

Power Glitch Cuts Operations at Total's 180,000 b/d Port Arthur, Texas Refinery July 23

Operations were cut to a minimum from the plant's gasoline-making fluid catalytic cracker, distillate hydrotreaters, and a unibon unit after an electric problem with a blower occurred early July 23. Yesterday a spokesman for the refinery said that the unit would be back up by the end of the day.
Reuters, 18:10 July 23

Crude Unit Controller Trips at Valero's 325,000 b/d Port Arthur, Texas Refinery July 23

According to a filing with Texas regulators, flaring occurred when a controller tripped on an atmospheric and vacuum crude unit. A company spokesman said production was not impacted. This event marks the third malfunction in a week at Valero's Port Arthur refinery. The complex conducted emergency flaring July 19 after a problem with a kerosene hydrotreater and again July 22 after a hydrocracker malfunctioned.
Bloomberg News, 10:29 July 24, 2007
Reuters, 18:19 July 23, 2007

Update: Alkylation Unit Returns to Service at Valero's 210,000 b/d Texas City, Texas Refinery July 20

The 15,000 b/d alkylation unit returned to service after being taken down following a small fire.
Reuters, July 23, 2007

Malfunction Reported at Exxon Mobil's 348,500 b/d Beaumont, Texas Refinery July 24

The malfunction involved a vacuum tower.
Bloomberg News, 11:27 July 24, 2007

Statoil's 125,000 b/d Heidrun Oilfield in Norwegian Sea Shut since July 20

The field has been shut since Friday due to a corrosion problem but Statoil hopes to restart the field this week.
Reuters, 07:37 July 24, 2007

Limited Production Resumes at Shell's Nembe Creek Pipeline and Forcados Export Terminal in Nigeria

Royal Dutch Shell Plc's venture in Nigeria has restarted a limited amount of production at pumping stations feeding its Nembe Creek pipeline and the Forcados export terminal, a company spokeswoman said today. The 36,000 b/d South Bank flow station, linked to Forcados, started pumping in April but the spokeswoman did not say how much capacity had been restarted. The spokeswoman also said that the Nembe Creek pipeline, which was shut down in May because of a leak, hasn't reached its 77,000 b/d capacity.
Bloomberg News, 05:47 July 24, 2007

U.S. Oil Imports from Iraq at Second Lowest Level in 4 Years

According to the U.S. Department of Energy, imports of crude oil from Iraq fell to 342,000 b/d in May, down 39 percent from the month before, and the lowest level in the last four years. Last year, the U.S. imported an average of 553,000 b/d from Iraq but volumes have decreased this year due to insurgent attacks disrupting exports.
Reuters, 16:15 July 23, 2007

BP Expects Thunder Horse Oilfield in Gulf of Mexico to Start Up by End of 2008

BP said July 23 that it expects to begin production at the field by the end of 2008. In February, the company said first production would occur in late 2008. The project, which was originally scheduled to start up in 2005, has been repeatedly delayed. Chief Executive Tony Hayward said that the problems with Thunder Horse were due to BP allowing its internal technical expertise to be eroded and relying too heavily on outside contractors. Reuters, 07:56 July 24, 2007

Natural Gas

Kinder Morgan Declares Force Majeure on TransColorado Pipeline System July 21

Kinder Morgan declared force majeure on two segments of its TransColorado Gas Transmission pipeline system on July 21 due to mechanical problems at the company's Mancos Compressor Station. The station, located in Montezuma County, Colorado, requires extensive repairs and as of July 24, the force majeure remains in place. As a result, available capacity on TransColorado's Segment 250 (Dolores C.S. to Mancos C.S.) has been reduced to 395 MMcf/d, down from the design capacity of 441 MMcf/d, and Segment 220 (Whitewater C.S. to Olathe C.S.) has been reduced to 345 MMcf/d, down from the design capacity of 390 MMcf/d. According to Kinder Morgan's website, this reduction has led to a curtailment of 10 to 12 percent of available capacity. At this level of scheduled quantities, primary firm and secondary in-path firm service is limited, and secondary out-of-path firm and ITS/AOR service is unavailable.

http://pipeline.kindermorgan.com/info_postings/notices/crit_index.asp

http://pipeline.kindermorgan.com/info_postings/capacity/op_seg_index.asp

Peabody Energy and ConocoPhillips Proposing Construction of Coal-Gasification Plant in Kentucky

The two companies have agreed to explore development of a plant to convert coal to synthetic natural gas (SNG), using proprietary technology. The facility would produce 50 bcf to 70 bcf of pipeline quality SNG per year from over 3.5 million tons of Midwest sourced coal.

http://www.conocophillips.com/newsroom/news_releases/2007+News+Releases/072307.htm

Domestic Gas Drilling Sets Record for Second Quarter - API

According to an American Petroleum Institute (API) well completion report, domestic drilling activity in the second quarter was twice the level of second quarter drilling recorded during the 1990s, with natural gas in the lead.

<http://intelligencepress.com/>

Other News

North American Energy Ministers Take Further Action on Energy Security and the Environment

Energy ministers for Canada, Mexico and the United States took another step toward enhancing North American energy security and environmental protection, announcing concrete actions on energy science and technology, energy efficiency, deployment of clean energy technologies and other cooperative projects.

<http://www.energy.gov/news/5258.htm>

Cameco Uranium Conversion Plant in Ontario Shut for Two Months Due to Contaminated Soil

On July 20, the company reported the finding of uranium and possibly other production-associated chemicals in the soil beneath its uranium hexafluoride conversion plant in Port Hope, Ontario.

http://www.canadianbusiness.com/markets/headline_news/article.jsp?content=b072340A

Energy Prices

U.S. Oil and Gas Prices July 24, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	73.27	74.32	74.35
NATURAL GAS Henry Hub \$/Million Btu	5.66	6.32	6.33

Source: Reuters

Energy Notes

DOE Seeks Interest for Next Generation Nuclear Plant

<http://www.platts.com/Nuclear/News/8172763.xml?p=Nuclear/News&sub=Nuclear>

ExxonMobil Announces Availability of New High-Performance Turbine Oil to Maximize Turbine Activity

<http://biz.yahoo.com/bw/070724/20070724005886.html?v=1>

Failed Attempt to Assassinate Nigerian Oil Official Leaves 1 Civilian Dead and 12 Wounded July 24

Reuters, 10:48 July 24, 2007

Iraqi Parliament Okays Foreign Companies to Build and Operate Refineries July 24

Reuters, 6:53 July 24, 2007

Canada Resolves Objection to Mackenzie Pipeline from Native Dene Tha' Tribe after Financial Settlement

Reuters, 16:56 July 23, 2007

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:
<http://www.oe.netl.doe.gov/index.aspx>.

Please direct comments and questions to: ead@oe.netl.doe.gov